First Quarter 2011 Highlights

- Core net operating earnings $.81 per share
- Adjusted book value per share of $38.33, up 2% from year end
- Repurchased 2.5 million shares (average price $34.04 per share)

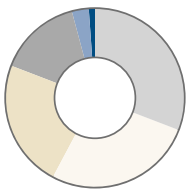
This document contains certain statements that may be considered “forward-looking statements” and are based on estimates, assumptions and projections which management believes are reasonable but by their nature subject to risks and uncertainties. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. Refer to AFG's filing on Form 10-Q as of March 31, 2011 for more information.

AMERICAN FINANCIAL GROUP, INC.

SPECIALIZED INSURANCE FOR A SPECIALIZED WORLD

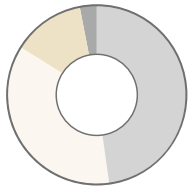
American Financial Group is committed to providing insurance products that meet the unique risk management needs of businesses and the financial planning needs of individuals. Its insurance operations, doing business as Great American Insurance Group, are comprised of about 25 niche operations with specialized expertise in the markets they serve.

Annuity and Supplemental Insurance Group
2010 Statutory Premium Distribution
$2.7 Billion



- 31% Indexed Annuities
- 27% Bank Annuities
- 23% Fixed Annuities
- 15% Supplemental Health
- 3% Variable Annuities
- 1% Life Insurance

Specialty Property and Casualty Insurance Group
2010 Net Written Premium
$2.4 Billion



- 48% Property & Transportation
- 36% Specialty Casualty
- 13% Specialty Financial
- 3% Other

First Quarter 2011 Highlights (in millions, except per share data)

Earnings

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Core Net Operating Earnings	$ 86	$ 103
Core Net Operating Earnings Per Share	$ 0.81	$ 0.91
Net Earnings Attributable to Shareholders	$ 83	$ 106
Net Earnings Per Share (Diluted)	$ 0.79	$ 0.93

Insurance Premiums

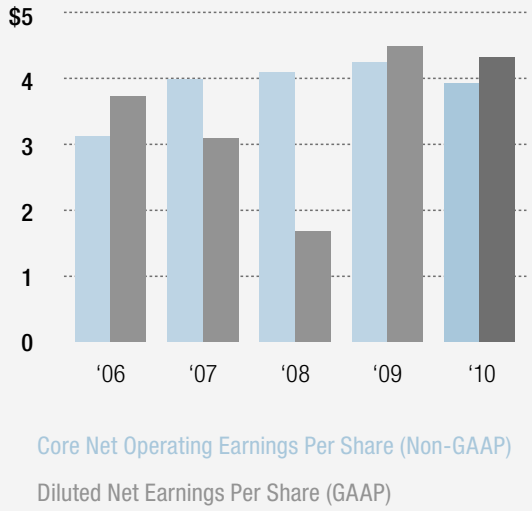
	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Gross Written Premiums: Specialty P&C	$ 753	$ 744
Net Written Premiums: Specialty P&C	$ 584	$ 566
Statutory Premiums: Annuity and Supplemental	$ 779	$ 497

Book Value Per Share

	Mar. 31, 2011	Dec. 31, 2010
Excluding Appropriated Retained Earnings	$ 41.56	$ 40.64
Excluding Appropriated Retained Earnings and Unrealized Gains/Losses on Fixed Maturities	$ 38.33	$ 37.54

Earnings Per Share For the year ended December 31

AFG's Earnings per Share data for the years ended 2006-2010 appears in the table to the right. AFG believes that core net operating earnings is a useful measure for analysts and investors in considering ongoing operating trends for AFG.

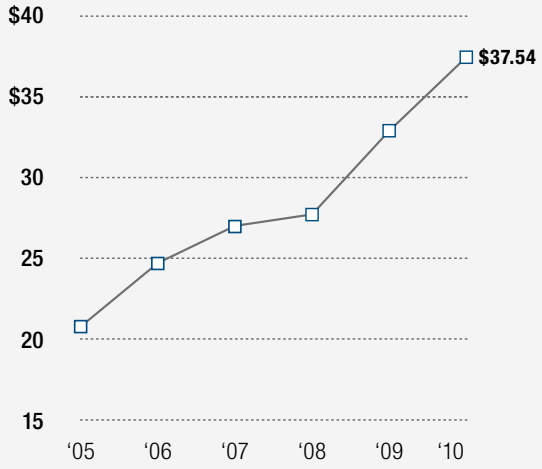


Book Value Per Share

As of December 31 (excluding appropriated retained earnings and unrealized gains and losses on fixed maturities)

AFG's overriding goal is to increase long-term shareholder value.

- Book value per share increased 14% during 2010
- Tangible book value was $35.24 per share at the end of 2010, up 15% from the prior year



Our Business Model

AFG's business model is founded on an entrepreneurial approach that allows "local" decision-making for underwriting, claims and policy servicing in each of its niche operations. Each business unit designs its own products, builds its own relationships and creates its own unique distribution channels.

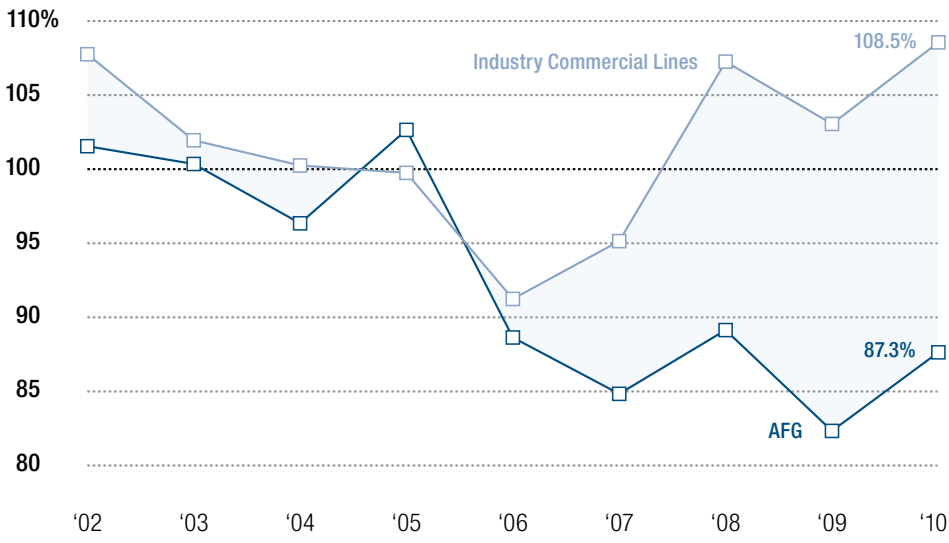
Capital and Liquidity

We believe we are well-positioned to react to challenging market conditions and that AFG's capital adequacy, financial condition and liquidity remain strong.

(in millions)	March 31, 2011	December 31, 2010
Total Assets	**$32,948**	$32,454
Statutory surplus:		
P&C Group	**2,086**	2,101
Annuity & Supplemental Group	**1,176**	1,153
Cash & Cash Equivalents	**1,499**	1,099
Ratio of debt to total capital [A]	**19%**	19%

A For this calculation, capital includes long term debt, noncontrolling interests and shareholders' equity (excluding appropriated retained earnings and unrealized gains and losses on fixed maturity investments), and is consistent with the level committed to rating agencies and the capital markets.

Statutory Combined Ratio (COR)



Industry Commercial Lines based on data from A.M. Best.

AFG's COR has been better than the industry average for twenty-three of the last twenty-five years.

GREAT AMERICAN INSURANCE GROUP

Financial Strength Rating A M BEST A Excellent

Great American Insurance Company has maintained a financial strength rating of A (Excellent) or higher from A.M. Best Company since 1908.*

RATINGS

Property & Casualty Insurance Companies

	A.M. Best*	Standard & Poor's*	Moody's*
Great American Insurance Company	A (Excellent)	A+ (Strong)	A2 (Good)
American Empire Surplus Lines Insurance Company	A+ (Superior)	A+ (Strong)	Not Rated
Mid-Continent Casualty Company	A (Excellent)	A+ (Strong)	Not Rated
National Interstate Insurance Company	A (Excellent)	Not Rated	Not Rated
Vanliner Insurance Company	A (Excellent)	Not Rated	Not Rated
Republic Indemnity Company of America	A (Excellent)	A+ (Strong)	A3 (Good)
Marketform / Lloyd's Syndicate	A (Excellent)	A+ (Strong)	Not Rated

*Ratings last affirmed for all companies except Marketform / Lloyd's Syndicate as follows: A. M. Best — 2/14/11; Standard & Poor's — 10/5/10; Moody's — 6/25/10; Marketform / Lloyd's Syndicate: A. M. Best — 8/18/10; Standard & Poor's — 9/9/10.

WARD'S 50 SAFETY • CONSISTENCY • PERFORMANCE ®
2007-2010

Great American's P&C Group has been selected as one of the Ward's 50® Top Performing Insurance Companies for 2010.

Annuity and Supplemental Insurance Companies

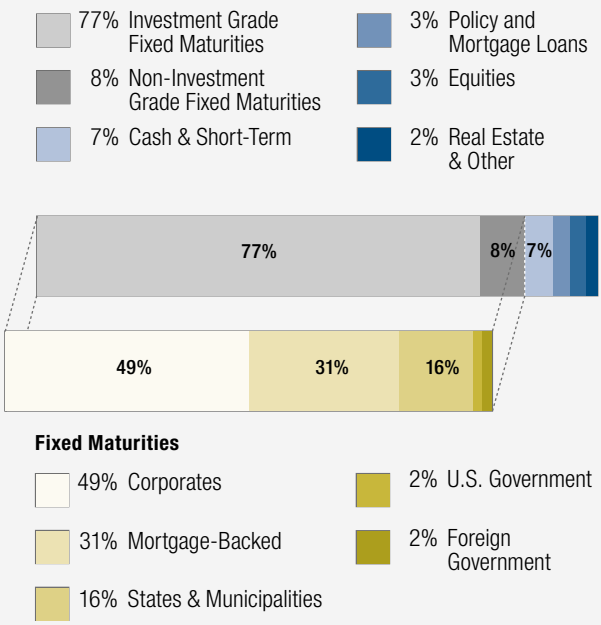
	A.M. Best*	Standard & Poor's*	Moody's*
Great American Life Insurance Company	A (Excellent)	A+ (Strong)	A3 (Good)
Annuity Investors Life Insurance Company	A (Excellent)	A+ (Strong)	Not Rated
United Teacher Associates Insurance Company	B++ (Good)	Not Rated	Not Rated
Loyal American Life Insurance Company	A- (Excellent)	Not Rated	Not Rated

*Ratings last affirmed for all companies as follows: A.M. Best — 2/14/11; Standard and Poor's — 10/5/10; Moody's — 6/25/10.

Investments

Our investment philosophy is to focus on high-quality, liquid, diversified investments and to maximize return on a long-term basis, rather than focusing on short-term performance.

Investment Portfolio As of March 31, 2011



- Fixed income investments comprise 95% of the portfolio
- Fixed maturity portfolio is 91% investment grade (96% NAIC 1-2)
- Mortgage-backed securities portfolio is 82% investment grade (98% NAIC 1-2)

More information about out investment portfolio may be found in an Investment Supplement posted on www.AFGinc.com in the Investor Relations section under Quarterly Investor Information.

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